

FONTANA WATER COMPANY
URBAN WATER MANAGEMENT PLAN

Amended as of December 2005

This Amended Urban Water Management Plan and Water Shortage Contingency Plan (“Plan”) has been prepared and adopted by Fontana Water Company (“Company”) in accordance with the provisions of the Urban Water Management Planning Act, Water Code Sections 10610 through 10657 (“Act”).

Section 10620(d) of the Act provides that an urban water supplier may satisfy the requirements of the Act by participation in area-wide, regional, watershed, or basin-wide urban water management plans. The Company has participated in the Basin-wide Urban Water Management Plans prepared for the Inland Empire Utilities Agency (“IEUA”) by the following:

- A. The Company provided, to the IEUA, projected demands from the Company’s Water System Master Plan for the period through 2025.
- B. The Company provided source annual production totals to IEUA and Chino Basin Watermaster (“Watermaster”).
- C. The Company supported efforts through Watermaster on the Chino Basin Optimum Basin Management Plan (“OBMP”) which IEUA is a participant. The Company jointly worked with IEUA and Watermaster to implement the OBMP.
- D. The Company reviewed and provided comment during the preparation of IEUA’s Urban Water Management Plan.

Accordingly, The Company joins with and by this reference incorporates into this plan the area-wide Urban Water Management Plan prepared for the Inland Empire Utilities Agency. The Company also makes reference and incorporates its Water System Master Plan (“Master Plan”) as part of its 2005 Urban Water Management Plan.

A public hearing was held, pursuant to public notice required by Section 10642 of the Act, on December 21, 2005. On January 3, 2006 the Company formally adopted this plan as of December 31, 2005 and directed that it be filed with the State of California Department of Water Resources, the California State Library, the County of San Bernardino, and the Cities of Rialto, Fontana, and Rancho Cucamonga.

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URBAN WATER MANAGEMENT PLANNING ACT

A. GENERAL INFORMATION

Name of Utility: Fontana Water Company

Address: 8440 Nuevo Avenue

Post Office Box 987

Fontana, CA 92334

Telephone: (909) 822-2201 Fax: (909) 823-5046

Name of Person Completing Plan: Robert K. Young, Water Quality Superintendent

Email address : rkyoung@sgvwater.com

Population Served: 145,565

Number of Service Connection: 41,590

Date of Last Census or Inventory: 2004

B. WATER USE RECORDS

Historical Water Use

Period of available records: Year – 1960 to present.

Water Use Records are:

| | |
|---------|----------|
| Daily | <u>X</u> |
| Monthly | <u>X</u> |
| Annual | <u>X</u> |
| Other | <u></u> |

Source of Records:

| | |
|-----------------|----------|
| Water Sales | <u>X</u> |
| Source Meter(s) | <u>X</u> |
| Other | <u></u> |

Water Sources (check all appropriate):

| | |
|-----------------------------------|-----------|
| Groundwater | <u>X</u> |
| Current number of active wells | <u>33</u> |
| Surface Water | <u>X</u> |
| Purchased Water | <u>X</u> |

Fontana Water Company produces water from wells in the Chino Basin, Lytle Basin, Rialto Basin, an Unnamed Basin, and from surface water flow diverted from Lytle Creek. The Company also purchases untreated State Water Project water from San Bernardino Valley Municipal Water District. Additional wells, treatment facilities, booster pumps, and other facilities can be installed to produce and deliver significant additional quantities from existing water supply sources. The Company also has emergency interconnections with Cucamonga Valley Water District's ("CVWD") water distribution system to purchase water, when available, but only for limited emergency purposes.

Historical Water Use Data

| <u>Year</u> | <u>Total Use</u> | <u>Units</u> | <u>Year</u> | <u>Total Use</u> | <u>Units</u> |
|-------------|------------------|--------------|-------------|------------------|--------------|
| 1960 | 11,422 | acre-feet | 1995 | 30,877 | acre-feet |
| 1965 | 11,074 | acre-feet | 2000 | 40,983 | acre-feet |
| 1970 | 12,790 | acre-feet | 2001 | 40,466 | acre-feet |
| 1975 | 12,318 | acre-feet | 2002 | 43,415 | acre-feet |
| 1980 | 14,104 | acre-feet | 2003 | 43,646 | acre-feet |
| 1985 | 18,363 | acre-feet | 2004 | 45,365 | acre-feet |
| 1990 | 30,676 | acre-feet | | | |

Current Water Use

Most Current Year of Record 2004

Total Water Use 45,365 acre-feet

Projected Water Use

Based upon historical data, and utility records, please project water use:

While the potential exists for significant customer growth, together with corresponding growth in overall water use and supply requirements, it is not possible to accurately forecast precisely when that growth might occur. Factors such as economic trends, population increases, interest rates, and City of Fontana policies regarding residential, commercial, and industrial development all have a direct influence on the timing and extent of customer growth in Fontana Water Company's service area. Nevertheless, the Company already has designed and constructed water system infrastructure, including water production, treatment, storage, transmission, and distribution facilities capable of providing service to existing customers and some additional customers in the Company's service area, and the existing water

system can readily be extended and additional production and storage facilities can be constructed to provide service as necessary for any new development.

Projected Peak Water Demands (MGD) (Baseline Scenario)*

| Year | 2005 | 2010 | 2015 | 2020 | 2025 |
|---|-------------|-------------|-------------|-------------|-------------|
| Average Day Demand | 43.4 | 48.2 | 52.7 | 57.8 | 62.5 |
| Peak Season Demand ^{1.} | 56.4 | 62.7 | 68.5 | 75.1 | 81.2 |
| Peak Day Demand ^{2.} | 73.8 | 82.0 | 89.5 | 98.2 | 106.2 |
| Peak Hour Demand ^{3.} | 108.5 | 120.5 | 131.7 | 144.4 | 156.2 |

1. Peak season demand = 1.3 x average day demand;

2. Peak day demand = 1.7 x average day demand;

3. Peak hour demand = 2.5 x average day demand.

* (From Fontana Water Company's Water System Master Plan, Table 3-32)

Water Use Percentages

For the current year of record, please indicate the percentage of use in each of the following areas:

| | <u>Percent</u> |
|------------------------|----------------|
| Residential/Commercial | <u>81.6</u> |
| Industrial | <u>7.8</u> |
| Public Authority | <u>8.6</u> |
| Other | <u>2.0</u> |

C. CURRENT CONSERVATION MEASURES

Please indicate by checking the current types of conservation measures being practiced by your utility (check all appropriate):

Metered water connections 41,590 % of system 100
Source meters 40 % of sources 100
Water use records by use type (commercial, etc.) Yes
Leak detection program Yes
Meters installed only on new connections in the system all connections
Public education school programs Yes
Public information (general) programs Yes
Rate structure to encourage conservation No
New connection restrictions or conditions No
Home retrofit of plumbing fixtures No
Wastewater reclamation and reuse No
System pressure control program Yes
Landscape irrigation program Yes
Other (please describe) See following

Water Meters

All existing connections and all new connections, residential, commercial, and industrial as well as separate landscape irrigation services are metered. Flat rate private fire services are equipped with “tattletale” meters which are read each month to monitor the system for unauthorized water use and to minimize unaccounted for water losses. Construction meters for fire hydrants are issued to contractors to measure water use at new construction sites.

Water Bill Notices

Since 1983, the Company has been sending out “report card” water bills (see Attachment III) showing the customer’s current water usage compared with the same period a year earlier, thus alerting the customer to any change in their water use.

High Consumption Notice

Meters are read monthly utilizing an electronic hand-held device which has been programmed with the normal water usage information for each customer’s account. After the monthly billing information has been transferred from the meter reading device into the Company’s mainframe computer, a “kick-out” sheet of abnormally high water usages is printed and sent to the Customer Service Department for further investigation by Customer Service personnel. Verified high water consumption is reported directly to the customer or a “high consumption notice” (see Attachment IV) is left in the form of a door hanger which alerts the customer of a possible leak and to check for leaks and make necessary repairs.

High Bill Inquiries

Upon request, Customer Service personnel are available to review and help the customer to determine the reason for an abnormally high consumption. An internal and external water audit (see Attachment V) is performed and findings are discussed with the customer along with recommendations on how to correct existing problems and avoid future high bills.

Water Conservation Kits

The Company provides water conservation kits (dye tablets, a shower flow restrictor, and a toilet tank displacement bag) free of charge to customers within the service area. These kits are available at the Company's commercial office or are mailed, upon request, to the customer. The Metropolitan Water District of Southern California and others distribute similar kits along with conservation literature throughout the area.

Water Conservation Tariff Requirements

The Company's Tariff Rule No. 15 (see Attachment VI), as filed with, and approved by, the California Public Utilities Commission, specifies the conditions under which water conservation measures such as low flush toilets, flow restrictive shower heads and lavatory and kitchen faucets, must be installed in all new construction served by a new water main extension. The rule also provides that well-balanced automatic irrigation systems be designed for all new parks, median strips, and landscaped public areas.

Public Information

Representatives from the Company are made available to speak to local schools, civic organizations, and groups of concerned citizens wanting information on topics of water conservation and water quality. Water conservation and water quality literature, videotapes on wise water use and water savings tips, posters, and displays are utilized in various presentations.

System Leak Monitoring

The Company's monitoring and repair of system leaks is an integral part of maintenance activities. The Company receives reports of leaks in its distribution system from customers, field crews, and other agencies. Upon receipt of such a report, the Company's Central Control Operator generates a repair routine and

dispatches a field crew to investigate and make repairs. The Company promptly repairs distribution mains, services, and other appurtenances.

Fire Hydrant Flushing Program

In an effort to conserve water, fire hydrant flushing is minimized and conducted only on an as-needed basis. Water Quality concerns or customer aesthetic complaints may require flushing within a designated area. As a proactive or preventative measure to reduce the potential for bacteriological problems, flushing is performed in areas of the Company's distribution system due to "dead end" mains. The Company also flushes new pipelines after installation and existing pipelines after completing repairs.

Meter Exchange Program

Under the Company's meter exchange program water meters are periodically replaced with new or rebuilt meters to assure that water usage is accurately measured. The replacement of older meters also reduces the amount of water loss due to leakage. The meter exchange program is a databased computer program developed by the Company to monitor a meter's installation date and usage. The computer program produces "batch sheets" listing meters due to be exchanged, overhauled, and tested for accuracy. Meter sizes 5/8" x 3/4", 3/4", and 1" are exchanged on a 15-year schedule or more frequently if warranted. Meter sizes 1-1/2" and 2" are exchanged on a 10-year schedule or more frequently if warranted. The Company's distribution personnel, on a weekly basis, review the "batch sheets" and a Distribution Serviceman performs the required meter exchanges. Meters up to 1" are exchanged with new meters. A separate exchange program identifies meter sizes 2", 3", and 4" which have reached a 6 million cubic foot registration, at which time they are exchanged, overhauled, and tested for accuracy. All meters 6" and

larger are field tested annually and are adjusted, repaired, or overhauled in the field as needed.

Landscape Irrigation Program

Landscape ordinances along with irrigation requirements are established by individual city building codes. The Company offers, upon request, an individual landscape water audit to its customers. Upon request, a Company Customer Service employee will visit the customer's premises and evaluate the landscape irrigation. Irrigation systems are evaluated for water loss due to runoff, over watering, and the time of day watering takes place. These audits may reduce water loss and result in lower water bills.

D. SUMMARY OF PROGRAMS NOT IMPLEMENTED

Rate Structure

Satisfactory water conservation measures are presently in effect and rate incentives or penalties are not warranted at this time.

New Connection Restrictions

The Company uses its Master Plan and water supply assessments to evaluate its water supplies and ensure that adequate supplies of quality water exist. Additional wells, treatment facilities, booster pumps, and other facilities are installed as needed. These resources prevent the need to restrict new connections. Unnecessary restrictions would likely result in substantial public protest.

Home Retrofit of Plumbing

The Company furnishes shower head and faucet flow restrictors free of charge to customers who request conservation kits but does not require installation of low water use fixtures and appliances, except as provided in the Company's Tariff Rule No. 15.

This rule states:

If the following provisions for water conservation are included in local building codes and/or ordinances the main extension contract shall contain these provisions.

- 1) All interior plumbing in new buildings shall meet the following requirements:
 - a) Toilets shall not use more than 3½ gallons per flush, except that toilets and urinals with flush valves may be installed.
 - b) Shower heads shall contain flow controls which restrict flow to a maximum of approximately 3 gallons per minute.
 - c) Kitchen and lavatory faucets shall have flow controls which restrict flow to a maximum of approximately 2 gallons per minute.

Recycled Water

When recycled water becomes available and the necessary infrastructure is constructed, the Company will be the purveyor of the recycled water to those customers within its service area that can make use of such water.

The Inland Empire Utilities Agency, a Municipal Water District formerly known as Chino Basin Municipal Water District, operates four regional wastewater treatment plants that produce disinfected and filtered tertiary treated recycled water for outdoor irrigation, industrial uses and groundwater replenishment uses. Although, the Company does not currently have a recycled water project identified

in the Chino Basin, the Company supports the use of recycled water where its use is appropriate and where recycled water is available.

San Gabriel Valley Water Company (“San Gabriel”) has recycled water customers in both the Main San Gabriel Basin and the Central Basin in its Los Angeles County division. Recycled water is made available by San Gabriel for landscape irrigation and other non-potable uses pursuant to San Gabriel’s Recycled Water Metered Service Tariff No. LA-6 (see Attachment VIII) as approved by the Public Utilities Commission. Fontana Water Company will provide similar service when infrastructure is constructed and recycled water becomes available.

E. SUPPLY DEFICIENCY ANALYSIS

This supply deficiency analysis will be divided into two parts: supply deficiencies that occur on a regular basis (yearly, monthly, etc.), and supply deficiencies that occur only during periods of drought. The Company primarily relies on its groundwater sources to meet customer demands. Even so, the Company is currently upgrading and modifying its Sandhill surface water treatment facility to utilize conventional surface water treatment technology to treat raw water supplies from local surface flows and State Water Project water from San Bernardino Valley Municipal Water District and from the Inland Empire Utilities Agency by delivery through the Metropolitan Water District’s Foothill Feeder Pipeline. The Company has and will continue to design, construct, operate and maintain wellhead treatment to ensure a reliable source of water and prevent supply deficiencies.

Current Source Capacity*:

| | |
|-------------------------------|--------------------------------|
| 2004 Peak Day Production | <u>65.2 Million Gallons</u> |
| 2004 Peak Month Production | <u>1,616.5 Million Gallons</u> |
| 2004 Average Daily Production | <u>41.8 Million Gallons</u> |

* 2004 Annual Report to the Drinking Water Program

Source Type and Five-Year Average Annual Production* (AFY – Acre Feet Year):

GROUNDWATER

| | |
|---------------|---------------------|
| Lytle Basin | <u>8,263.6 AFY</u> |
| Chino Basin | <u>21,841.8 AFY</u> |
| Rialto Basin | <u>7,320.8 AFY</u> |
| Unnamed Basin | <u>3,251.8 AFY</u> |

| | |
|---------------|--------------------|
| SURFACE WATER | <u>5,018.8 AFY</u> |
|---------------|--------------------|

* Fontana Water Company Water System Master Plan – Section 5, Table 5-2

Has the utility experienced regular or frequent supply deficiencies during the period of record? No

If yes, which year(s)? N/A

If more than once a year, which months? N/A

Amount of deficiency? N/A (units / %)

What were the impacts or actions taken by the utility? N/A

Rationing N/A

No new connections N/A

Water exchanges or transfers from others N/A

Higher rate schedules N/A

Other actions N/A

Will this utility have to develop new source capacity to meet current or projected demands? Yes

The Company estimates its groundwater production from the Chino Basin by the Company will comprise about 75% of its total water supplies during future drought conditions. This implies that groundwater pumping capacity in the Chino Basin needs to be planned and designed as 75% of the Company's maximum day demand. Analysis of the Chino Basin supply capacity indicates that the Company has a current deficiency of 19 MGD under drought conditions. The Company needs to construct as least 25 MGD of recommended new (Wells F7B, F51A, F51B, F51C, F37B, and three additional wells at a proposed future site) and replacement (Plants F21, F30, F35, and F37) wells and facilities and install a 10 MGD perchlorate treatment facility at Plant F25 (to treat Wells F18A, F25A, and F35A) in order to overcome the current deficiency, meet year 2010 maximum day demands during drought conditions, and to provide sufficient redundancy during emergency interruptions. In addition, the Company needs to develop an additional 5 MGD of pumping capacity by 2015, an additional 11 MGD by 2020, and an additional 17 MGD by 2025 to meet maximum day demands during drought conditions. Installation of these facilities will provide the Company with the flexibility and reliability required to meet increasing water demands and fire flow requirements. (Fontana Water Company Water System Master Plan; Executive Summary Page 10)

Recommended new groundwater production wells will be constructed to produce water from the Chino Basin groundwater basin. The Company expects to install groundwater wells in the Chino Basin to obtain increased future groundwater supply. The Chino Basin is the Company's largest and most reliable source of groundwater. Furthermore, the Chino Basin has the reliable capacity to supply the additional water required to meet the Company's demands in the future. Chino Basin appropriators, including the Company, are allowed to extract groundwater, in addition to their allocated

amounts, as long as replenishment water (from imported surface water) is purchased. (Fontana Water Company Water System Master Plan; Executive Summary Page 10)

The upgrades to the Company's Sandhill Surface Water Treatment Plant, slated for completion in 2007, will increase the treatment capacity to 29 MGD. In 2004 the Company received 2,529.85 AFY (December 2004 Water Production Report) of untreated State Water Project water from the San Bernardino Valley Municipal Water District. The upgrades will also allow the Company to receive untreated State Water Project water from the Inland Empire Utilities Agency for treatment at the Company's expanded and upgraded Sandhill Water Treatment Plant and possibly future treatment plants.

Did the utility experience shortages during drought periods? Yes

If yes, which year(s)? 2003 and 2004

Amount of deficiency? Approximately 5,175 gpm

What were the impacts or actions taken by the utility?

The Company activated both of its emergency interconnections with CVWD which can deliver up to 2,500 gpm (see Fontana Water Company's Water System Master Plan – Section 4-5).

The Company's Rialto Basin wells, which are subject to curtailment during certain summer months pursuant to the 1961 Rialto Basin Decree, were none the less, activated on an emergency basis to allow the Company to supplement its other water supplies. These wells provided approximately 5,175 gpm (see Fontana Water Company's Water System Master Plan – Table 7-7).

Rationing N/A

No new connections N/A

Water exchanges or transfers Yes

Rate schedule changes N/A

Other emergency actions N/A